

## INTERPRETIVE MEMO

☐ Medicaid Rule Interpretation

☒ Medicaid Procedure Instruction

This interpretive memo remains effective statewide until it is specifically superseded—either by a subsequent interpretive memo or by a contradictory policy with a later date.

Please file in your manual facing the page indicated below.

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☒ Replaces PP&D at P-2424B1 Dated 8/1/03

**QUESTION:** May we deduct from a Medicaid group's spenddown requirement the estimated cost of the over-the-counter (OTC) drugs and supplies the group anticipates using during its six-month accounting period?

**ANSWER:** Yes, provided the anticipated usage is reasonable and you base the cost on the following chart. If the reported usage seems excessive, you should require a written statement of medical necessity from a physician before allowing the deduction.

For example, a client reports taking 16 aspirin a day. Since this is more than the recommended maximum dosage of 12 a day, you require a physician's statement before allowing the deduction. The client brings in a physician's statement that the 16 aspirin he/she takes a day is the number which has been recommended for his/her medical condition. You allow the deduction.

Daily Usage = estimated price x number of tablets/capsules/units taken or used each day x 183 days.

Weekly Usage = estimated price x number of tablets/capsules/units taken used each week x 26 weeks.

Monthly Usage = estimated price x number of tablets/capsules/units taken or used a month x 6 months.

The client has the choice of using the 6-month estimated costs or submitting bills/receipts for actual costs. If an estimate has been used, the client may not subsequently submit bills for the same product during the 6-month period.

In addition, if the client becomes eligible for Medicaid as a result of meeting his/her spenddown requirement and an estimated cost of over-the-counter drugs or supplies for the entire accounting period was deducted from the spenddown requirement, make sure the client understands he/she may not seek Medicaid coverage during that accounting period for those same over-the-counter drugs or supplies.

When you have allowed a deduction, notify Roger Tremblay in OVHA by email. Give him client's name, date of birth, I.D. number, item deducted, amount of item deducted, date Medicaid eligibility starts and the end of the accounting period.

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ANSWER: (Continued)

NOTE: The following “estimated price per unit” is based on an average of prices charged for each product in the category. The “maximum usage” is the highest maximum recommended dosage listed for products in the category and is not the same as the maximum recommended dosage for each product. For example, we permit a deduction for up to 12 units (i.e. tablets or capsules) per day of an analgesic even though 6 per day is the maximum recommended dosage for Advil and Nuprin. A deduction for greater usage is permitted only with a physician’s written statement or prescription.

### Tablets/Capsules

	Estimated Price Per Unit	Maximum Usage Daily
Analgesics – (reduces pain) Advil, Anacin, Ascriptin, Aspirin, Bufferin, Ecotrin, Empirin, Excedrin, Medipren, Nuprin, Tylenol, etc.	\$.10	12
Antacids – Antacid, Di-Gel, Gaviscon, Gelusil, Maalox, Mylanta, Roloids, Tums, etc.	\$.06	24
Anti-Diarrhea – Kaopectate, Pepto-Bismol, etc.	\$.17	16
Cough & Cold – Chloraseptic, Dristan, etc.	\$.17	8
Laxative – Colace, Correctol, Dulcolax, Ex-Lax, Peri-Colace, etc.	\$.28	6
Sleep Aid – Nytol, Sominex, etc.	\$.17	2

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ANSWER: (Continued)

## Other Products

	Typical Size and Price	Estimated Price/Unit	Maximum Usage Per Month
Ace Bandage	2"x180" for \$2.46	\$2.46/bandage	1 Bandage
Alcohol (Isopropyl)	1 pint (16 oz.) \$ .84	\$.06/oz.	3 pints
Attends	10 for \$8.30	\$.83 each	200 "diapers"
Ben-Gay	3 oz. for \$4.69	\$1.57/oz.	9 oz.
Calamine Lotion	4 oz. for \$.94	\$.24/oz.	8 oz.
Depends	14 for \$4.84	\$.35 each	200 "diapers"
Diabetic Needles	100 for \$20.00	\$.20/needle	30 needles
Dristan-Liquid Nasal Spray	15 ml. for \$4.17	\$.28/ml.	15 ml.
Efferdent	90 tabs for \$4.88	\$.06/tab	One a day
Fleet Enema	1 for \$1.00	\$1.00/enema	10 enemas
Haley's M-O	8 oz. for \$2.11	\$.27/oz.	30 oz.
Hearing Aid Batteries	1 for \$.73	\$.73/battery	6 batteries
Kaopectate	8 oz. for \$3.90	\$.49/oz.	16 oz.
Maalox	12 oz. for \$6.90	\$.57/oz.	15 bottles
Metamucil	14 oz. for \$10.40	\$.75/oz.	4 bottles
Murine Ear Drops	½ oz. for \$4.52	\$4.52/ ½ oz.	½ oz.
Murine Eye Drops	½ oz. for \$3.37	\$3.37/ ½ oz.	½ oz.
Neo-Synephrine Nasal Spray	15 ml. for \$3.95	\$.27/ml.	15 ml.
Phillips Milk of Magnesia	4 oz. for \$2.16	\$.54/oz.	30 oz.
Preparation H Tube	30g tube for \$5.24	\$.18/g	60g - 2 tubes
Preparation H Suppositories	12 for \$4.56	\$.38/suppository	62 -twice daily
Robitussin	4 oz. for \$4.60	\$1.15/oz.	16 oz.
Saline Nasal Spray	60 ml. for \$1.37	\$.03/ml.	30 ml.
Serenity	8 for \$6.75	\$.85 each	200 "diapers"
Skin Lotions	10 oz. for \$2.60	\$.26/oz.	20 oz.
Visine Eye Drops	30 ml. for \$5.70	\$.19/ml.	30 ml.

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ANSWER: (Continued)

### Example

Sam Smith reports taking a tablespoon of Maalox, 4 times a day, “when his stomach is acting up.” He estimates taking about 3 days every week. You use the following chart to determine the number of ounces these 12 tablespoons represent:

1 teaspoon	=	5 ml or 1/6 fluid ounces.
1 tablespoon	=	15 ml or 1/2 fluid ounces.

You determine that the 12 tablespoons a week equals 6 fluid ounces. To obtain the 6-month estimated cost you complete the following calculation:

$$\frac{\$ .57/\text{oz.}}{(\text{estimated price})} \times \frac{6 \text{ oz.}}{(\# \text{ units used/wk.})} \times \frac{26}{(\# \text{ wks. in 6 mo.})} = \$88.92$$

You explain to Mr. Smith that he may choose to have this amount used toward his spenddown requirement or he may present actual bills/receipts for his costs. Explain to him that if he chooses to use the \$88.92 toward his spenddown, he may not subsequently use any bills/receipts for Maalox purchased during this 6-month period to meet a spenddown requirement.

If Mr. Smith chooses to present actual bills/receipts for his Maalox, use the actual cost toward the 6-month spenddown requirement. In this case, once Mr. Smith is granted Medicaid he may seek Medicaid coverage of subsequent purchases of Maalox in the accounting period.